

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

OFFICE OF
MANAGING DIRECTOR

MAR 26 2004

Joseph M. Fry
Vice President and Chief Financial Officer
Petracom Media, LLC
1527 N. Dale Mabry Highway, Suite 105
Lutz, FL 33548

Re: Request for Waiver of FY 2003 Regulatory
Fees for Petracom Media, LLC
Fee Control No. 00000RROG-04-030

Dear Mr. Fry:

This responds to your December 8, 2003 letter, refiling your request for deferral and waiver of the regulatory fees for Fiscal Year (FY) 2003 for stations licensed to various subsidiaries of Petracom Media, LLC (Petracom). Your original request for deferral and waiver of the FY 2003 regulatory fees was dismissed without prejudice on November 13, 2003 for lack of appropriate documentation to establish a compelling case of financial hardship. According to the attachment to your original request, the fees due total \$13,795.00. They include: \$6,265.00 for 11 stations owned by Petracom of Joplin, LLC; \$3,635.00, for 11 stations owned by Petracom of Texarkana, LLC; \$2,860.00, for 10 stations owned by Petracom of Show Low, LLC; and \$1,035.00 for 3 stations owned by Petracom of Holbrook, LLC.

In your refiled request, you provide financial documentation, including balance sheets, income statements and other information for 2002 and the first nine months of 2003, to support your claim that Petracom is unable to pay the regulatory fees for its radio stations. You state that your income statements show continuing negative cash flow from the broadcasting operations and your balance sheets indicate decreased liquidity and borrowing ability. You further state that the owners/members have contributed significant amounts of funds to continue broadcasting, but no additional funding is available. You also state that there have been significant expense reductions, primarily in the number and salaries of officers and other employees. You also mention that Petracom of Joplin, LLC filed a Chapter 11 petition for bankruptcy on October 9, 2003 and is prohibited from paying the 2003 regulatory fees. In letters dated January 21, 2004 and February 23, 2004, you supplement your filing with financial information concerning Petracom of Show Low, LLC and Petracom of Holbrook, LLC.

As we advised you in our November 13, 2002 letter, in establishing a regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. The Commission therefore decided to grant waivers or reductions of its regulatory fees in those instances where a

“petitioner presents a compelling case of financial hardship.” See Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994), recon. granted, 10 FCC Rcd 12759 (1995). The Commission further held that regulatees can establish financial need by submitting:

[I]nformation such as a balance sheet and profit and loss statement (audited, if available), a cash flow projection . . . (with an explanation of how calculated), a list of their officers and their individual compensation, together with a list of their highest paid employees, other than officers, and the amount of their compensation, or similar information.

10 FCC Rcd at 12761-62.

In reviewing a case of financial hardship, the Commission relies upon a licensee’s cash flow, as opposed to the entity’s profits, to determine whether the station lacks sufficient funds to pay the regulatory fee and maintain service to the public. Thus, even if a station loses money, any funds paid to principals, as well as deductions for depreciation and amortization and similar items that do not affect cash flow, are considered funds available to pay the fees.

As to the three stations licensed to Petracom of Holbrook, LLC, the papers you submitted show net income of \$4,225 in 2002 and \$38,091 in 2003 through September 30, even aside from such sources of cash flow as deductions for depreciation for those time periods of \$19,591 and \$22,040, respectively. Thus, we deny your request, and the regulatory fees of \$1,035.00 for these three stations are now due. The \$1,035.00 should be filed together with a Form FCC 159 (copy enclosed) within 30 days from the date of this letter.

As to the ten stations licensed to Petracom of Show Low, LLC, the papers you submitted show a loss of \$114,603 in 2003 through September 30, and that this loss is not entirely the result of deductions for depreciation and amortization for this time period, which are \$84,356 and \$50, respectively. Also, as to the 11 stations licensed to Petracom of Joplin, LLC, the evidence you submitted shows net losses of \$471,393 in 2002 and \$338,409 in 2003 through September 30, and that these losses are not entirely the result of deductions for depreciation and amortization for those time periods, which are \$221,536 (\$141,321 for depreciation plus \$80,215 for amortization) and \$108,792 (\$108,792 for depreciation + \$0 for amortization), respectively. Finally, as to the 11 stations licensed to Petracom of Texarkana, LLC, the evidence you submitted shows net losses of \$941,631 in 2002 and \$360,834 in 2003 through September 30, and that these losses are not entirely due to deductions for depreciation and amortization for those time periods, which are \$349,864 (\$61,194 for depreciation plus \$343,750 for amortization) and \$52,362 (\$52,362 for depreciation plus \$0 for amortization), respectively. You also confirm that officers’ salaries are paid by the parent Petracom and not the subsidiary licensees. Thus, we find that you have established a compelling case of financial hardship for the Show Low, Joplin, and Texarkana stations. Thus, we grant your fee waiver request for these stations.

If you have any questions concerning this letter, please contact the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark A. Reger', with a large, stylized initial 'M'.

 Mark A. Reger
Chief Financial Officer

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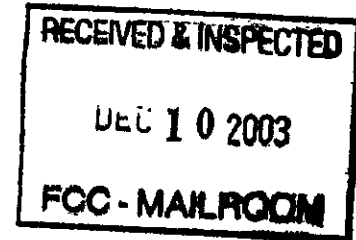
PETRACOM MEDIA, LLC
1527 N. DALE MABRY HIGHWAY
SUITE 105, LUTZ, FL 33548
PHONE: (813) 948-2554 FAX: (813) 948-2557

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December 8, 2003

Via Hand Delivery

Mr. Mark A. Reger, Chief Financial Officer
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554



**Re: Request for Waiver of Fiscal Year 2003
Regulatory Fees for Petracom Media, LLC
Fee Control No. 00000RROG-03-111**

Dear Mr. Reger:

In response to your letter dated November 13, 2003, this letter will serve as the refilling of Petracom's request for the waiver of regulatory fees due to financial hardship. The following documents are included to support our financial hardship claim:

- 2001 Audited Financial Statements
- December 31, 2002 Unaudited Consolidating Balance Sheet
- 2002 Unaudited Consolidating Income Statement
- September 30, 2003 Unaudited Consolidating Balance Sheet
- September 30, 2003 Year to Date Consolidating Income Statement
- Schedule of compensation of officers and highest paid employees
- Voluntary Chapter 11 Petition for Petracom of Joplin, LLC

The enclosed income statements show continuing negative cash flow from the broadcasting operations and the balance sheets indicate decreased liquidity and borrowing ability. The owners/members have contributed significant amounts of funds to continue broadcasting, but no additional funding is available for the company. There have been significant expense reductions, primarily in the number of and salaries of officers and all other employees. Additionally, Petracom of Joplin, LLC filed a Chapter 11 Petition on October 9, 2003 and is prohibited from making any payments of pre-petition liabilities, which include the 2003 regulatory fees.

Petracom Media, LLC is unable at the present time to pay the regulatory fees associated with its stations. Under these circumstances, we feel that the public interest will be served by the Waiver and Deferral of the regulatory fees. Thank you for your considerations in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "J M Fry", written over a horizontal line.

Joseph M. Fry
Vice President and Chief Financial Officer

enclosures

RECEIVED DEC 17 2003